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# **THE INFLUENCE OF SERVICE QUALITY DIMENSIONS ON CUSTOMER SATISFACTION TOWARDS TAX AGENTS**

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**MASTER OF SCIENCE MANAGEMENT  
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**THE INFLUENCE OF SERVICE QUALITY DIMENSIONS ON  
CUSTOMER SATISFACTION TOWARDS TAX AGENTS**



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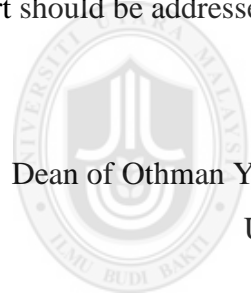
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## ABSTRAK

Kajian ini adalah mengenai kesan dimensi kualiti perkhidmatan terhadap kepuasan pelanggan terhadap ejen cukai. Tujuan kajian ini adalah untuk mengenalpasti tahap kepuasan pelanggan terhadap agen cukai, hubungan antara dimensi bukti fizikal, dimensi kebolehpercayaan, dimensi responsif, dimensi jaminan dan dimensi empati yang merupakan pembolehubah bebas yang dapat mempengaruhi dan membawa kepada kepuasan pelanggan pembolehubah bergantung. Jumlah ejen cukai di Sungai Petani, Kedah adalah 1565 pelanggan dan jumlah sampel dipilih adalah 306 responden daripada proses persampelan berkelompok melalui geografi. Daripada jumlah keseluruhan soal selidik, 244 dapat digunakan yang mencatatkan kadar tindak balas sebanyak 80%. Dalam menganalisis penemuan, penyelidik menggunakan statistik deskriptif, Korelasi Pearson dan Regresi Pelbagai dengan menggunakan versi SPSS versi 16.0. Keputusan menunjukkan bahawa terdapat hubungan yang signifikan antara dimensi bukti fizikal, dimensi responsif, dimensi kebolehpercayaan, dimensi jaminan dan dimensi empati terhadap kepuasan pelanggan. Dimensi yang paling mempengaruhi yang menjejaskan kepuasan pelanggan di agen cukai di Sungai Petani, Kedah adalah dimensi responsif. Kajian ini mencadangkan agar ejen cukai dapat memberikan perkhidmatan dan respons yang pantas kepada keperluan pelanggan serta meningkatkan kemudahan. Pada masa akan datang, kajian ini lebih memberi tumpuan kepada skop yang lebih luas untuk mengkaji kualiti perkhidmatan yang membawa kepada kepuasan pelanggan di agensi cukai.

Kata Kunci: Kepuasan Pelanggan, Dimensi bukti fizikal, Dimensi Responsif, Dimensi Kebolehpercayaan, Dimensi Jaminan, dan Dimensi Empati



## ABSTRACT

This research is about the effect of service quality dimensions on customer satisfaction towards tax agents . The purpose of this research is to identify the extent of customer satisfaction towards tax agents, the relationship between tangible dimension, reliability dimension, responsiveness dimension, assurance dimension and empathy dimension which are the independent variables that could influence and lead to customer satisfaction which is the dependent variable. The total population of tax agents in Sungai Petani, Kedah is 1565 customers and the selected sample size is 306 respondents from cluster sampling process by geography. Of the total questionnaires, 244 were used that recorded a response rate of 80%. In analyzing the findings, researchers used descriptive statistic, Pearson Correlation and Multiple Regression by using Statistical Package for Social Science (SPSS) version 20.0. The results indicate that there is positive significant relationship between tangible dimension, reliability dimension responsiveness dimension, assurance dimension and empathy dimension towards customer satisfaction. The most influencing dimension that affects customer satisfaction at the tax agents in Sungai Petani, Kedah is responsiveness dimension. This study recommend that the tax agent should be able to give fast service and response towards customers needs as well as improve the facilities. In future, the study is more focusing on the wider scope to study the service quality that lead to customer satisfaction at the tax agency.

**Keywords:** Customer Satisfaction, Tangibility Dimension, Responsiveness Dimension, Reliability Dimension, Assurance Dimension, and Empathy Dimension



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## **LIST OF ABBREVIATION**

SAS	Self Assessment System
IRB	Inland Revenue Board



# **CHAPTER 1**

## **INTRODUCTION**

### **1.0 Introduction**

This chapter also discusses on the background of the study, problem statement, research question and research objective. It will also give a brief description about the scope of the study, significance of the study and definition of key terms.

### **1.1 Background Of The Study**

Taxation is one of the important elements in managing national income, especially in developed countries and has played an important role in civilized societies since their birth thousands years ago (Lymer and Oats, 2009). Both developed and developing countries face major challenges in seeking to ensure that their revenue agencies are efficient and effective in collecting as much of the legitimately due tax revenues from taxpayers as they possibly can. Arguably, the task of maximising taxpayer compliance for advanced emerging economies such as Malaysia is even more critical than it is for many other more developed countries (McKerchar & Evans, 2009).

In Malaysia, a self-assessment system has been implemented in 2001 for corporate taxpayers and in 2004 for all other taxpayers including individuals. The system necessitates taxpayers to declare and calculate accurate sources of income, estimate income tax payable, keep records for audit purposes, and comprehend income tax legislation. The introduction of SA has required taxpayers to acquire more adequate tax knowledge (Abdul-Latiff, Amin-Nordin, Che-Omar, & Harijito, 2005). Knowledge and understanding of tax laws and rules should better enable taxpayers to fulfil their tax statutory obligations, such as filing their tax returns within the stipulated time frame, truthfully reporting their tax affairs and accurately computing their tax liabilities (Loo et al., 2009). Further, having tax knowledge may also serve to change taxpayers' perceptions regarding the fairness of the tax system (Kasipillai, 1997; Mahat, 2007). Lack of appropriate tax knowledge may lead to unintentional noncompliance behaviour.



In complying with these demands, many taxpayers have to depend on the assistance of tax agents which would in turn increase their compliance costs. The role of a tax practitioner has been defined by Pickhardt and Prinz as, “on the one hand they are allies of taxpayers, on the other hand they have a legal obligation to obey tax laws when professionally advising taxpayers”. Survey research suggested that the primary reason that most taxpayers use the services of a tax practitioner is to deal with complexity of tax laws, lack of time, fear of penalties and to file an accurate return.

This study will focus on the customer satisfaction towards service quality offered by the tax agents. According to Hansemark and Albinson (2004) “satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire “.

Customer satisfaction has arisen over the years as an important measure of the level satisfaction provided by the tax agent. It is not only important for gaining insights into the perception of customers on the services. Satisfaction or dissatisfaction with a program or facilities is influenced by prior expectations regarding the level of quality (Sigala, 2004). Satisfaction depends on numerous factors and there is no deficiency of literatures on this subject. In order to generate the service quality dimensions that lead to customer satisfaction, the researchers look at some research studies done in this field. Studies conducted that customers want the best service quality and responses as well to what they want (Zhang & Jiaqing, 2007).

## **1.2 Problem Statement**

With effective from Year of assessment (YA) 2001, the Inland Revenue Board of Malaysia (IRBM) has streamlining the tax administration policies to embrace a self-assessment tax system (SAS) to encourage voluntary tax compliance. Since the implementation of SAS, the Malaysian tax defaulters has increased by almost 10 times within two years' time, from 25,160 in 2003 to 239,666 in 2005 (Krishnamoorthy,2006a). The offences included failure to submit returns, declaring false returns and not providing enough information etc, around one-

third of Malaysians eligible to pay tax did not pay the tax. Whilst, in 2005, 1.3 million potential taxpayers did not file their tax returns (Krishnamoorthy,2006b). As tax systems grow in their complexity, taxpayers often look to professionals conversant in tax law for expert advices to avoid any penalties imposed to them.

Prior study by Vos and Mihail (2006) asserted that in self-assessment system, tax practitioners are assuming the duty of tax officers. In short, under SAS the responsibilities of the government's tax administration have shifted to the taxpayer but sub-contracted to tax agent at a cost. In line with this, Vos and Mihail (2006) also asserted that in self-assessment regime, the costs saving benefited by the tax authority were at the expense of taxpayers. These costs arise because the time spent in adhering to tax laws is normally an unpleasant experience and hence is considered a cost for taxpayers (Vaillancourt & Clemens,2008). Taxpayers always arguing about the tax compliance fees that imposed to them. The problem occurred because some of the customers always come at the last minute and without the proper documentation to submit their filling tax return and the tax practitioner must take the risk to accomplish it on time.

In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business because customer satisfaction leads to repeat purchases, brand loyalty, and positive word of mouth. Many researchers point out the fact that satisfied customers share their experiences with other people to the order of perhaps five or six people. On the contrary, dissatisfied customers are more likely to tell another ten people of their experience with product or service. Service quality that is delivered can meet or exceed customer expectations are mainly influenced by customer's prior expectations (Angelova & Zekiri, 2011).

There are many factors will influence the customer's satisfaction in taxation agency. Principally customers are concerned with the service quality provided by the organization. According to Foster (2004), Parasuraman & Zeithaml & Berry (1988) and Walker & Johson & Leornard (2006) stated that if an organization provide services that meet customer's needs, this will then lead to higher customer satisfaction level.

Improved service quality in the future is the critical factor that will determine whether the business will survive or fail (Thompson, Green & Bokma 2000). Better service quality typically helps to get higher market share and better returns (Slu & Mou 2003). The taxation agency must take into consideration that the service quality parameters will improve the service performance with using the SERVQUAL model. This model measures the difference between customers' expectations and perceptions in terms of performance using various service quality dimensions including tangibility, reliability, responsiveness, assurance and empathy. This is because striving at meeting or exceeding customer expectations customers will be able to increase the revenue and maintain a high service quality within the taxation agency.

According to the Chartered Accountants Australia and New Zealand, the Tax Practitioners' Board received three to four complaints about tax practitioner and registered tax agents every day. Most complaints are from clients disappointed with advice or service commonly identify the failure to lodge documents on time or not passing on refunds promptly through to taxpayers. Based on the Annual Report 2015 by the Chartered Accountants Australia and New Zealand they received total of 405 complaints for the year of 2014 and only 86 of complaints was resolved.

In the study of Marshall et al., (2006) that members of the American Institute of Certified Public Accountants (AICPA), when responding to a survey of accounting practice issues that posed the most difficult ethical or moral problems, identified tax issue dilemmas such as client pressure to alter tax returns as the most significant. Among the few factors are the probability of audit detection (audit risk), customers pressure on tax practitioner to act unethically and customers seem to be complained about the waiting area that not enough space and not well equipped with up to date facilities.

Therefore, this study was conducted to investigate is there any relationship between service quality dimension and customer satisfaction with services provided by the tax agents.

### **1.3 Research Questions**

Customer satisfaction can be affected by several service quality dimensions. These are the following questions in order to understand better the service quality dimensions that affect customer satisfaction.

1. Does the service quality dimensions (tangible, reliability, responsiveness, assurance and empathy) have a relationship with the customer satisfaction towards tax agents?

### **1.4 Research Objectives**

Below are the objectives that are essential to be achieved for the purpose of completing the ultimate intention of this research which are as follows:

1. To identify the relationship between service quality dimensions (tangible, reliability, responsiveness, assurance and empathy) and customer satisfaction towards tax agents.

### **1.5 Scope and Limitation of the Study**

This research is conducted with respect to the covered on the customers of tax agents in Kedah to determine the customer satisfaction. The respondent of this study are customer from tax agents in Sungai Petani, Kedah. By covering the high number of customers in Sungai Petani district, the tax agents in Sungai Petani had been chosen to conduct this research.

The variables focused in this study refer to SERVQUAL model namely, tangibility, reliability, responsiveness, assurance and empathy. The dependent variable is customer satisfaction. Therefore, due to scope and limitation arise, this sector has been chosen since there a lot of problem facing and challenges in concerning the customer satisfaction (Noordin, Hasnan & Osman, 2019).

## **1.6 Significant of the Study**

### **1.6.1 Theoretical Perspective**

Customers satisfaction is very subjective. The theory of customer behaviour that leads to customer satisfaction is discussed broadly by Lovelock et al. (2007). They stated that without understanding their customer behaviour, no organization that can creates and deliver any services that will result in satisfied customers. In addition, the original model of Service Quality (SERVQUAL) are the best so far there are many researchers used the same model originally from Parasuraman et al. (1985), as they stated that this particular model is the most precised model in determining a service quality (Rauyruen et al., 2007; Baki et al., 2009; Banomyong et al., 2011).

### **1.6.2 Practitioners' Perspective**

The finding and the analysis from this study would be a channel for the tax agent in that area to identify their weakness and capitalize their strengths. In other words, it will assist the tax agents to develop priority strategies in offering excellent services to their customers. Furthermore, this study will contribute useful information and ideas to the tax agent as well as provide the guidance to the other business organizations that offer similar business.

## **1.7 Definition of Key Terms**

### **1.7.1 Customer Satisfaction**

McDougall & Levesque (2000) defined customer satisfaction as a cognitive or affective reaction that emerges in response to a single or prolonged set of service encounters. Machleit & Mantel (2001) describe customer satisfaction as the heart of all marketing activities and there is no doubt that customer satisfaction has been identified as one of the most important determinant to customer loyalty. Customer satisfactions in this study refer to the satisfaction of customer that are using the services of tax agent in Sungai Petani, Kedah.

### **1.7.2 Service Quality**

According to Zeithaml & Bittner (2003), service quality is defined as a focused evaluation that reflects the customer's perception of specific dimensions of services provided. The particular perception towards the dimensions of services is influenced by several factors which includes the quality of the services received, the quality of the product, the price factor as well as both situational and personal factors (Zeithaml & Bittner, 2003.)

#### **Tangible**

According to Parasuraman et al., (1998), tangible refer to the cleanliness and comfortable of physical facilities. In this study, it refers to the cleanliness and comfortable of physical facilities such as the counter service, equipment, the appearance of the staff and the waiting area. It is hope that it will help the researcher to identify the relationship between tangible and customer satisfaction.

#### **Reliability**

Reliability means the ability to perform the promised service dependably and accurately (Parasuraman et al.,1998). This reliability in the tax agent is focuses on the providing service as promised, dependability in handling customers service problems, perform the service right the first time and maintaining error-free records. It is hope that it will help the researcher to identify the relationship between reliability dimension and customer satisfaction.

#### **Responsiveness**

The responsiveness means the willingness to help customers and provide prompt service to the customers (Parasuraman et al., 1998). In this study it refers to the attitude and willingness of the staff towards customer needs and demands. It is hope that it will help the researcher to identify the relationship between responsiveness dimension and customer satisfaction.

#### **Assurance**

According to Zeithaml et al.,(1990) , assurance refer to the employees' knowledge and courtesy and their ability to inspire trust and confidence. In this study it refers to the knowledge and courtesy of the staff towards customer needs and demands. It is hope that it

will help the researcher to identify the relationship between assurance dimension and customer satisfaction.

### **Empathy**

The empathy means the caring, easy access, good communication, customer understanding and individualized attention given to the customers (Zeithaml et al., 1990). In this study it refers to more attention towards the customers and concern about them by the staff of the tax agents. It is hope that it will help the researcher to identify the relationship between empathy dimension and customer satisfaction.

### **1.8 Organization of the Chapters**

In this study, the research paper consists of five chapters. The organization of the chapters as follows :

Chapter One: This chapter addressed the background of the study and the problem statement that arise in the context of study. Then, the objectives of the study, research questions and scope and limitation of the study. Followed by the significance of the study and the definitions of key terms. After all, the organizations of the chapter explained all the requirement of each chapter.

Chapter Two: This chapter comprises the literature review which focuses on the previous research that is associated with this study. It presented in this literature review includes a discussion of the theoretical underpinning of the study, dependent variable and independent variable. In addition, the hypothesis development is discussed in this chapter.

Chapter Three: This chapter study about methodology which include the research design, the population and sample of the study. Indeed, the sampling method has been discussed. On the other hand, the questionnaires design and goodness of measurement is use for check the reliability and validity of the study. Furthermore, the development of instrument and measurement of the variables. This chapter also analyzes the data collection process and data analysis techniques.



Chapter Four: This chapter analyzes the findings and results of this study. It presents the response rate, descriptive analysis and mean and standard deviation. Furthermore, inferential statistics are conducted. Then hypothesis are discussed in this chapter.

Chapter Five: This comprised summary of the whole study according to result of data analysis based on research hypothesis in this study. Then, this chapter ends with suggestions and recommendations for future research. Hence, this chapter gives as overall scenario regarding the background of the research concern.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter discusses on the tangible, reliability, responsiveness, assurance and empathy have been emphasized. This chapter also focuses on theoretical framework, definition, the relationship of conceptual framework, hypothesis of the study and last but not least the conclusion. Reviewing the literature on this chapter perhaps will help the researcher to focus further.

#### **2.1 Customer Satisfaction (CS)**

Before further discussion about the study, it was good to fully understand the definition of customer satisfaction, as it will help to understand the study more cleared. According to Lovelock & Wirtz (2011) from their books title 'Services Marketing' has defined satisfaction is an attitude like judgement following a consumption experience. In other study by Oliver (1997), it indicates that the confirmation or disconfirmation of pre-consumption expectations is the essential determinant of satisfaction. The customer had a certain predicted service level in mind prior to consumption in which this predicted level typically are the outcome of the search and choice process, when customer decided to use or bought the particular services. Satisfaction judgement are then based on the comparison and resulting judgement are labelled positive disconfirmation if the services are better than expected, negative disconfirmation if it worse than expected and simple confirmation if expected (Oliver, 1997). In short, customers evaluate service performance by comparing what they expected with what they received from that particular services.

In the study of Bowen & Chen (2001), "The relationship between customer loyalty and customer satisfaction", it had founded that hotel manager responsibility was to ensure the customer had to be satisfies, as satisfied customer usually become a loyal customer that would back to the hotel. It also can be said that when the customer become satisfied it will

contributed in increasing their marketing as these customer usually will returned and brought more customer with them.

According Wang & Sheikh (2006), stated there was a link between the customer satisfaction and service quality as it was proven in their research that there was a significant positive relationship between the service quality and the user satisfaction. Thus in their research, they had suggested that there were several things such as facilities needed to be improved by Change Jung Christian University (CJCU) library in order to make the user that come to visit the library will achieve satisfaction.

A study by Munusamy et al., (2010) had said in his study that customer satisfaction terms has been used widely, in which it had explained the ways the products and services that being provided by the company was to ensure its meet the customer's expectations. The researcher further explained that the evaluation of the customer satisfaction towards the products and services of the company could be seen through the business key performance.

According to ( Kristensen, et al., 1992; Zeithami et al., 1996; McColl-Kennedy and Schneider et al., 2000) customer satisfaction means to measured products or services provided by a company that meets its customers' expectations. In a competitive marketplace where businesses competed for customers, it is the company's Key Performance Indicator (KPI). Customer satisfaction is the key to long-term business success.

Besides, it also defines the global issue that affected all organizations, regardless of its sized, whether it is profit or non-profit, local or multinational. It is shown that companies that have more satisfied customer will experience higher economic return (Asker and Jacobson, 1994; Bolton, 1998 & Yung et al., 2002). Higher customer satisfaction leads to greater customer loyalty (Yi, 1991 Anderson & Sullivan, 1993; Building et al., 1993) and this result of higher future revenue (Formal, 1992 & Bolton, 1998).

Due to this, the organizations in the same market sector tried to provide their products and services with best quality in order to attract and retain their customers.

According to Saiedah Nasrin Danesh et al., (2012 ) in their study “ The Study of Customer Satisfaction, Customer Trust and Swiching Barriers on Customer Retention in Malaysia Hypermarket” had proven that customer satisfaction had a positive relationship to the

customer retention in the Malaysia retail market as well as customer satisfaction leads to the positive outcome on customer confidence.

A recent study conducted by (Yang, Shih, Nha & Wang, 2017) confirmed and reinforced the idea that unsatisfied customer service could lead to a drop in customers' satisfaction and willingness to recommend the service to friends and increase the probability of switching. It is increasingly becoming a corporate goal as more and more companies strive for quality in their products and services (Bittner & Hubert 2014).

Loke et al., (2011 ) indicated that customer satisfaction means that the feeling or action that the customer received either it can be positive or negative after received the service from service provider. In other word it was a result after evaluation being made by customer after experienced the service. In which if the customer felt happy about the service it will leads to customer loyalty.

Customer satisfaction are very crucial component in measuring an organization's effectiveness and should be a part of any programs of quality improvement plans. Apart from that, as stated by Ali Turkeyilmaz et al.(2013), the service quality are the most important impact on customer satisfaction. Low customer satisfaction show the low quality of service provided. According to Ambro & Praprotnik (n.d), customer satisfaction can be maintained when the organization share the same values through the organizational effectiveness. This statement has been supported by Snyder & Tail (n.d.) where they indicates that the behaviour-performance of the organization has the strongest influence on customer satisfaction. According to this view, customers have been evaluated service performance by compared what they expected and what they received from a particular supplier.

## **2.2 Service Quality and Customer Satisfaction**

The relationship between service quality and customer satisfaction are one of the status or prestige of the organization. It is determined through the quality of services provided by the organization. Organization with the high quality level of serviced has a high competitive advantage as it can achieve a high level of customer need.

According to Lovelock & Wirtz (2011), the word of quality has a different meaning for different people. The service quality is a major influence on customer satisfaction (Landrum, Prybutok, Zhang & Daniel, 2009). When the customer receives high quality service, his behaviour and attitude towards the organization will be positive and that would lead to the loyalty of the customers toward the organization and vice versa. The increases of customer loyalty can maintain the survival of the organization in the market (Parasuraman et al., 1985).

Parasuraman, Zeithaml, & Berry (1994) agreed that service quality was one of the basic of customer satisfaction. In addressing the relationship between service quality and satisfaction, they studied a model developed by Oliver (1993). Oliver's model combined the two concepts and proposes that perceived service quality is antecedent to satisfaction. The outcomes showed that service quality leads not satisfaction. Parasuraman et al., (1988) compared service quality with satisfaction. They defined service quality as a form of attitude, a long-run overall evaluation, while satisfaction as a Transaction-specific measure. Based on such definition, it is considered that perceived service quality is a global measure, and so, the direction of causality was from satisfaction to service quality (Parasuraman et al., 1988).

Parasuraman, Zeithaml & Berry (1991) assumed that reliability was basically related to the outcome of service while tangibles, assurance, responsiveness, and empathy were concerned with the process of service delivery. The results not only judge the reliability and accuracy (i.e. dependability) of the service, but they also determine the other service dimensions that are being provided (Parasuraman et al, 1991). Therefore, customer satisfaction can be dependent not only on the rule of customer about the reliability of the service provided but also on the experience of customer with the service delivery process.

According to study made by Lonial et Al., (2013), in their study "QFD Application Using SERVQUAL for Private Hospital" indicates the service quality is often conceptualized as the comparison of service expectations with actual performance perceptions. The researcher used quantitative methods studies which is through questionnaire indicates that there is strong relationship among skills of physician, behavior and attitude of staff, and having enough modern equipment. This is has been supported by Tan and Pawitra (2001) indicates that customer evaluate service quality by comparing the service level they receive, against both the service level that they would have preferred and the service level they are willing to

accept. An understanding and measurement of service quality as seen by the patient is equally important to nursing because it is a concept integral to the provision of a better, more focused service for patients. In order to achieve this, Drain (2001) explained in the study title “Measuring Service Quality in a Hospital Colposcopy Clinic” it is clearly necessary to capture information on patient needs, expectations and perceptions. The quantitative research method have been conducted by the researcher indicate that although patient satisfaction with the overall service provided was generally high, the instrument provided evidence of where specific service improvements were needed. The researcher also identify that the largest service quality gap was for the reliability of service and he was recommended the premises to be improved.

### **2.2.1 Tangibles Influence Customer Satisfaction**

According to Zeithaml, Parasuraman and Berry (1990), tangible features consist of the appearance of physical facilities, equipment, personnel and communication material, thereby comprise of some of the most important aspects of servicescape. Servicescape is used to describe the physical surrounding of a service company which includes the exterior and interior design as well as ambient conditions (Bitner, 1992; Wakefield & Blodgett, 1996).

The previous study by Quyet et al., (2015), using focus to relate of SERVQUAL Model which are tangibility, assurance, responsiveness, reliability and empathy as independent variable and customer satisfaction as dependent variable. The method that has been used is quantitative by using questionnaire. The findings of the study have shown that there is a highly significant relationship between tangibility and customer satisfaction. The researcher recommended that the banks should increase the professional level of staff members providing services directly to customers. Such as the staff members should clearly understand and master their products.

In the study made by Vazifehdust & Farokhian (2013) in the article title “Factors Influencing Customer Satisfaction with The Success Factors Identified In The Insurance Industry” using focus to relate tangibility, responsiveness and reliability as independent variable and customer satisfaction as dependent variable. The researcher has used both the primary and secondary data for purpose of this study which is interview and questionnaire. Based from

finding it shown that positive relationship and important to all the independent variables in making decisions.

Article title “Customer Satisfaction On Service Quality In Private Commercial Banking Sector In Bangladesh” by Al Karim & Chowdhury (2014) using focus on tangibles, reliability, responsiveness and assurance as independent variable and customer satisfaction as dependent variable. The researchers using sample and method as quantitative approach and based from the finding, the result of the study have shown positive relationship between tangibility and customer satisfaction. The recommendation by the researcher said that since bank is a service oriented organization, hence providing continuous training to the employees on issues like courtesy, etiquette and communication skills while dealing with customers is of immense importance.

According to Ramez (2012) in his study, “Patients Perception of Health Care Quality, Satisfaction and Behavioral Intention: An Empirical Study in Bahrain”, the tangible dimension give the highest impact towards the patient satisfaction which refer to the customer satisfaction. The researcher has used quantitative approach by providing questionnaires survey towards a sample of 235 patients of hospital and medical centres. The result show that, the tangibility, responsiveness and empathy factors was the largest that influenced the satisfaction of the patient towards overall service quality.

Yun (2017) in her study “The Tangibility and Intangibility of e-Service Quality” stated that the tangibility would help to improve the customer satisfaction and loyalty. The researcher has conducted a survey in order to investigate the interpretations among tangible and intangible e-Service quality, customer satisfaction and customer loyalty. The data was collected from 468 tourists, who have purchased the hotel packages during the last three months from the hotel websites. The results showed that the significant effectiveness of tangible e-Service quality on the intangible e-Service quality will help to improve the customer satisfaction and loyalty. Besides, one of the previous study stated also there was a significant between tangibility dimension and customer satisfaction on the impact of services quality on customer satisfaction in hotel industry Rio and Sahu, (2013). In this study the researchers used a set of structured questionnaires administrated among the borders. The statistical tools like measured of central tendency and dispersion are being used to measure



the data. For future study, the researcher suggested to expand the size of sample by including others star hotel metropolitan cities. In future research also must concerned with customer's attitude towards the quality of other service business such as restaurants, travel agencies and airlines.

**H1:** There is a significant relationship between tangibility and customer satisfaction towards tax agents.

### **2.2.2 Reliability Influence Customer Satisfaction**

Reliability was focused on the right services served by service providers in order to ensuring it meet the customer satisfaction and expectation. Reliability was defined as the ability to perform the service consistently and accurately (Parasuraman et 1998 ). Wang & Shieh, (2006 ) had concluded in their study that there was a significant between reliability dimension and customer satisfaction towards services in CJCUC Library. In these study, the researcher used questionnaire as a method to measure the relationship between reliability and the customer satisfaction. But, the researcher also had suggested in this study to include internal customer as a key object in order to get more accurate on customer satisfaction in the future study.

In the study of the “Effect of Service Quality on Customer Satisfaction in the Utility Industry- A Case of Vodafone (Ghana)” by Agyapong (2011) stated that there was positive relationship between reliability dimension and the customer satisfaction in the Utility Industry. The method used in this study was questionnaire and multiple regression analysis. Although there was positive relationship between this dimension and customer satisfaction, the researcher suggested to improved network services in term of identified and satisfied customer's need in order to get the strong accurate results.

Previous study on reliability of the E-banking service towards service quality management also found that reliability had significant relationship with customer satisfaction Tan et al., (2012). In order to ensured that, the researchers used method of reliability test to get accurate results. But, the result did not achieve at the high level of customer satisfaction. Because of

that, the researchers may increase the sample size to found out more accurate on customer satisfaction and service quality provided.

According to Pritchett (2014) in his study “Effects of an Upbeat and Positive Attitude In Customer Service Interactions” indicates that in an extension of research demonstrating the effects of an upbeat and positive attitude in customer service interactions, the experiment and case studies examined in this paper identified evidence in support of displaying a positive behaviour during customer service interactions. It is clear those customer service employees who perform their duties with an upbeat and positive attitude, have the ability to affect certain aspects of customer service interactions. These papers have been already examined several sources of data including a literature review as well as empirical data obtained from an experiment related to the theory. This research also being supported by a theory “The Customer Delight Principle: Exceeding Customers’ Expectations for Bottom-Line Success”, by Keiningham & Vavra (2017) that employee’s who perform their duties by exceeding customer expectations, with an upbeat and positive attitude, provide superior customer service.

According to Munusamy, Chelliah & Hor (2010) reliability factor has negative relationship but it has no significant effect on customer satisfaction. The researchers used quantitative method to study the relationship between service quality factors and the customer satisfaction. The researcher had focused on the measurement of the customer satisfaction in the banking sector in Malaysia. The resulted shown that, the reliability factor has negative relationship but it has no significant effect on customer satisfaction.

Refer to the Yee and Dazmin Daud (2011), with their research on customer satisfaction in the Parcel Delivery in Malaysia found that there was a significant between reliability dimension and the customer satisfaction. The researchers using reliability and simple regression analysis test to analysis the questionnaires. For the future study, the researchers suggested to used appropriate sample size and sampling technique because this study focus on the pilot study.

In the previous study from Suleiman, (2011) found that there was no significant between level of customer satisfaction and reliability dimension of SERVQUAL model towards Housing Bank in Kara, Jordan. The researcher in this study used method of questionnaires and used technique of simple random sampling and simple regression analysis to calculate

the data. This is because there was no significant between customer satisfaction and reliability, the researcher suggested that management needed to provide services to customers without delaying and also provided with training courses to employees. The management need to alert with the views, needs and problem created by customers.

**H2:** There is a significant relationship between reliability and customer satisfaction towards tax agents.

### **2.2.3 Responsiveness Influence Customer Satisfaction**

According to Parasuraman et al., (1998 ), responsiveness is another quality of dimension in measuring service quality. The responsiveness means willingness to help customer and provide prompt service to the customer. This shows service quality dimension of responsiveness was related to the attitude of the staff itself. This indicates that the customer expectation to evaluate the service quality in service centre become more important.

Responsiveness can be defined as willingness to help customers and provided prompt service ( Lovelock & Wirtz, 2011 ). By using responsiveness dimension it showed how attitude on employees that served for services would influence the customer satisfaction during the services. The attitude of staff or employees in which created delayed in the services or becoming rude will give negative impacts on the customer perception towards that particular service. The previous study found that five dimensions in SERVQUAL model significantly positively influenced customer attitudes in terms of satisfaction and loyalty Loke et al.,(2011). Their study aimed to examine the impacts of five aspects on customer satisfaction by using regression analysis and t- test to test the relationship between service quality and levels of customer satisfaction.

Article title “Impact of Service Quality on Customers’ Satisfaction: A Study from Service Sector especially Private Colleges of Faisalabad, Punjab, Pakistan” by Bharwana et al., (2001) using focus on tangibles, reliability, responsiveness, assurance, empathy as independent variable and the customer satisfaction as dependent variable. The researcher represents a significant and positive relationship between tangible, reliability, responsiveness, assurance.

Arokiasamy & Abdullah (2001) through article “Service Quality And Customer Satisfaction In The Cellular Telecommunication Service Provider In Malaysia”. The study shown that the positively moderate correlation were responsiveness and customer satisfaction ( $r = .211$ ,  $p < 0.01$ ). The authors recommend that the management’s strategy should be directed to focus on improving customer responsiveness to strengthen loyalty.

Thompson & Schofield (2002) stated that if the responsiveness is not applied in the quality service it will lead to a bad perception and expectation from the customer. Thus, employee’s behaviour is related to the customers’ perception and satisfaction. This dimension can be presented through the ability of the employees to entertain the customers, also their willingness to respond accurately and dependability.

According to Markovic & Radnor (2010) in their study “Measuring Perceived Service Quality Using SERVQUAL: A case study of the Croatian Hotel Industry”, the researcher has collected the data from fifteen hotels in the Opatija Riviera by using self-administered questionnaires. The data found that the reliability, empathy and competence of staff, accessibility and tangible are the key factors that expect by the customer. The result shows the range of mean from 4.77 to 6.34. The lowest perception item was tangible factor, while the highest perception item was responsiveness followed by assurance and reliability factor.

**H3:** There is a significant relationship between responsiveness and customer satisfaction towards tax agents.

#### **2.2.4 Assurance Influence Customer Satisfaction**

Assurance is defined as “the employees’ knowledge and courtesy and the service provider’s ability to inspire trust and confidence” (Zeithaml et al., 2006). According to Andaleeb & Conway (2006), assurance may not be so important relative to other industries where the risk is higher and the outcome of using the service is uncertain. Thus, for the customer satisfaction towards tax agents, assurance is an important dimension that customers look at in file their tax returns. The trust and confidence may be represented in the personnel who link the customer to the organization (Zeithaml et al., 2006). The other research conducted by Ayankunie (2017) in their study “Service Quality and customer satisfaction towards counter

service” found that lack of politeness and trust of staff at counter service further distress of service standard in public library. This argument is supported in their study (7%; 93%) to lower extend accordingly.

Meanwhile, according to Punnakitakashem et al. (2012) in their study indicates that patient significantly had higher expectation than perception in term of assurance. The study that has been conducted by quantitative methods has indicates that the lower performance of the medical staff in term of their knowledge to treat the patients has lead to dissatisfaction of their patients towards the health services provided by medical staff. From their finding, it shows that the assurance dimensions has low service quality level with the value of 0.017 as it is the lowest level of service quality as compared to other dimensions. The assurance dimension at the hospital is not meeting the expectations of the patients as the medical staff at the hospital lack of knowledge about the medical matters and unable to provide full information to their patients. In contradict with Arokiasamy & Abdullah (2001) through the study shown that there was a significant positive relationship between assurance and customer satisfaction.

This study further supported by other researcher in their article title “Impact of Service Quality on Customers’ Satisfaction: A Study from Service Sector especially Private Colleges of Faisalabad, Punjab, Pakistan” by Bharwana et al., (2001) using focus on tangibles, reliability, responsiveness, assurance, empathy as independent variable and the customer satisfaction as dependent variable. Assurance, the dimension of service quality represent a significant and positive relationship with customers’ satisfaction. This peculiar result confirms the H4 that assurance has significant and positive relation with satisfaction of customers.

Hanaysha et al., (2012). In their article Service Quality and Satisfaction: Study On International Students in Universities of North Malaysia. The research results show that the five dimensions of service quality (tangibility, responsiveness, reliability, assurance and empathy) have strong relationship with students’ satisfaction. The finding is consistent with the finding by Bigne et al., (2003) that found there is a significant relationship between service quality and student satisfaction. This research shows that assurance has a weak relationship with students’ perception of service quality provided by the university.

This indicates a weak relationship between the two variables. This is consistent with the results found by Hasan and Illias, (2008), they were proved that assurance is significantly correlated with students' satisfaction.

Carlzon (1989) is of the opinion that the quality of any service encounters or "moments of truth" experienced by customers forms part of their overall impression of the whole service provided (Dale, 2003) and by implication, their impression of the organization itself. As commented by Deming (1982), most people give their opinions based on the people that they see, and they are either satisfied or dissatisfied or delighted or even on the continuum in between. As such according to Parasuraman et.al., (1985), measuring the service quality is more difficult than product quality. Service quality perception results from a comparison of customer expectations with actual service performance. Tracking back the study by Schneider & Bowen (1995), they deduced that the quality of the core services influences the overall quality of the service perception and thus lead to customer satisfaction.

**H4:** There is a significant relationship between assurance and customer satisfaction towards tax agents.

#### **2.2.5 Empathy Influence Customer Satisfaction**

Empathy is defined as a degree of caring and individualize the attention that is provided to the customers (Parasuraman et al, 1988; Marshal et al. 2003). Empathy includes the following features: approachability, sensitivity, an effort to understand the customers' needs. Due to this situation, tax agents should take a serious action to the sensitivity of their customers. It is instructed that employees need to show that they are sensitive to their customers who come to their office. Moreover, Carman (2000) pointed out that empathy and trust should be the platform for effective understanding, communication and relationships. Empathy and trust are essential to develop solutions, win and retain business and avoiding conflict. Empathy and trust also are important for handling complaints and retaining customers. Most modern gurus in the areas of communications, management and self-development refer in one way or another to the importance of empathy, which means to really understand the other person's position and feelings. Being able to 'step back', and achieve a detachment from our own emotions, is essential for effective and constructive relations. Gupta et al. (1995) had

discovered empathy as the critical variable for the quasi-manufacturing services, implying that caring and individualized attention is affected the customer's perceived satisfaction. In contrast, Parasuraman et al (1993) report that empathy dimension is least important across seemingly wide array in service type.

Ennew et al.,(2013) point out that the empathy dimension of service quality means being attentive in communicative situations, understanding customer needs, showing friendly behavior, and taking care of a customer's needs individually. Navaratnaseel and Periyathampy (2014) defined empathy as the ability to take care of customers and pay attention to them individually, especially while providing services. Moreover, Parasuraman et al., (1988) argued that understanding customer expectations better than competitors and the provision of care and customized attention to customers strongly influences the level of customer satisfaction. Ananth et al., (2010) revealed that a positive impact on customer satisfaction is brought about by convenient working hours, individualized attention, a better understanding of customer's specific needs in the services sector and the empathy dimension, all of which play a crucial role in customer satisfaction.

Empathy refers to how firms understand and solve customer problems and issues (Parasuraman & Zeithaml, 1988). Thus, it is important for the tax agents to be empathic with their customers while addressing their queries and problems. If they are able to do that they will not only have a competitive edge but will have highly satisfied customers. Studies have found that empathy positively affects customer satisfaction (Flick, 2015). Other studies have concluded that customers will not be satisfied with service quality if employees lacking empathy (Loke et al., 2011).

Therefore, empathetic behavior from employees leads to a positive attitude towards firms which in long run improves their financial health (Khan & Fasih, 2014). Tax agents must pay individual attention to customers and their specific needs (Al-Azzam 2015). Organizations that are able to give efficient services to customers and are able to resolve their conflicts effectively will have a pool of highly satisfied customers (Khan & Mariam, 2014). It has also been reported that if employees are empathetic to customers they will ignore minor errors and mistakes (Khan & Fasih, 2014). Studies have validated that empathy affects service quality and helps in building a loyal customer base (Al-Azzam 2015).



Empathy is related to the employee's aptitude in understanding customer perspective and feelings during service interactions (Hwang & kim, 2016; Markovic et al., 2015), resulting in positive customer emotions toward the service brand (Lee et al., 2011). According to Arokiasamy et al., (2013) in their study "service quality and customer satisfaction in the cellular telecommunication service provider in Malaysia" the results indicate that the most important service quality dimension on customer satisfaction was empathy, which goes to prove that empathy was perceived as a dominant service quality; improvements in customer satisfaction levels were significant. The findings displayed that the respondents who perceived a greater awareness of service quality exhibiting the more positive reactions in favour of customer satisfaction.

Munusamy, et al., (2010) in their study "service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia" stated that the result of their research found that there is no significant positive relationship between the empathy and customer satisfaction. This has been supported by the study of Bharwana, et al., (2013) "Impact of Service Quality on Customers' Satisfaction: A Study from Service Sector especially Private Colleges of Faisalabad, Punjab, Pakistan." They found that empathy depicts a negative link with the customers' satisfaction.

**H5:** There is a significant relationship between empathy and customer satisfaction towards tax agents.

### **2.3 SERVQUAL Instrument Model Parasuraman**

SERVQUAL is a service quality measurement instrument that was developed in 1988 by Zeithaml, Parasuraman, & Berry. During the generation phase of the SERVQUAL scale items, it consisted of 10 service quality dimensions which included reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer, and tangibles (Parasuraman, Zeithaml & Bery, 1998).

This process "resulted in the generation of 97 items (approximately 10 items per dimension)" (Parasuraman et al., 1988). Although 97 items would be effective in analysing service quality, it was discovered that 97 items would be cumbersome to administer, data would also

be too costly in transcribing and analysing. Thus, each item was “recast into two statements—one to measure expectations about firms in general within the service category being investigated and the other to measure perceptions about the particular firm whose service quality was being measured” (Parasuraman et al., 1988). It is based on these constructs, expectation and perception, that Zeithaml, Parasuraman, and Berry created the SERVQUAL. SERVQUAL attempts to analyse the level of service delivery expected by a client of a firm’s service, compared with the perceived fulfilment of that service (in the mind of the client) by a firm.

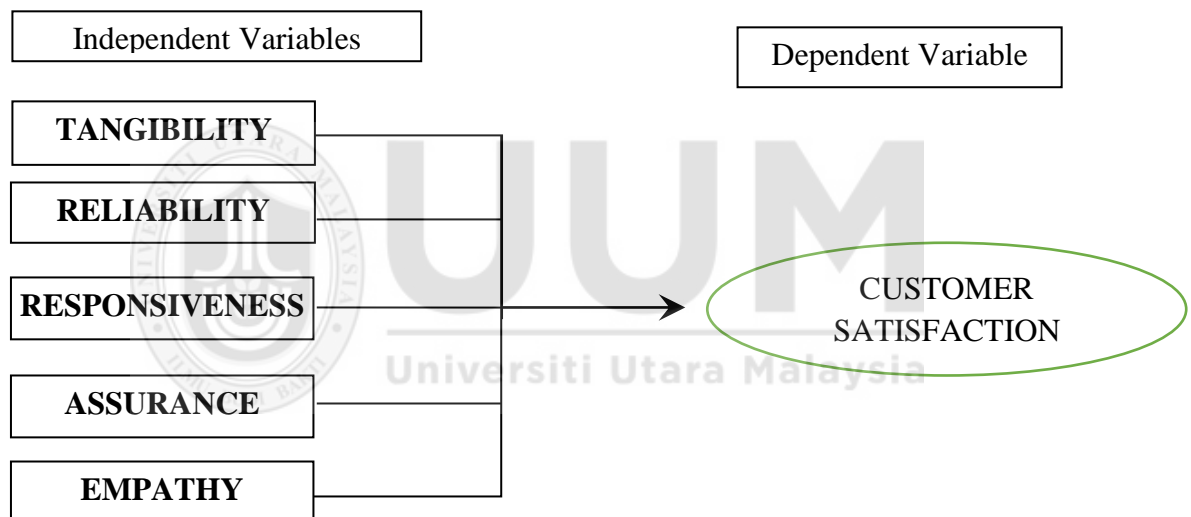
It appears that the driving force following the development of the SERVQUAL was to equip service providers with a competitive service delivery advantage as “intensifying competition and rapid deregulation have led many service and retail businesses to seek profitable ways to differentiate themselves” (Parasuraman et al., 1988). Parasuraman et al. (1988) recognized that a successful business enterprise “in the 1980s and beyond” relies heavily on the delivery of high quality service (Parasuraman et al., 1988).

According to Lovelock & Wirtz (2011), SERVQUAL was developed to measure the service quality provided especially in a face-to-face context. To measure the electronic service quality on websites, Parasuraman, Zeithaml and Malhotra have created the 22-items scale called E-S-QUAL, referring to the four key dimensions; efficiency, system availability, fulfilment, privacy (Lovelock & Wirtz, 2011). Customers can evaluate a firm’s service quality by comparing their perceptions of its service with their own experience (Lovelock & Wirtz 2011).

SERVQUAL is seen as a basic measurement tool that can be applied in the service industries (Lovelock & Wirtz, 2011). In evaluating the service quality provided by the firm, it can be measure through five dimensions of Parasuraman Model which are tangible dimension, reliability dimension, responsiveness dimension, assurance dimension and empathy dimension.

## 2.4 Theoretical Framework

This theoretical framework will provide the understanding ways on whether the independent variable which the service quality dimensions has the significant association towards impact of customer satisfaction towards the tax agents. According to Wang & Sheih (2006), SERVQUAL as an effective approached that being used in the study help to analyse the difference between customer expectation and service quality. The SERVQUAL model was instrument that being used to measure the service quality in service delivery (Parasuraman et al., 1998). There were five dimensions on this model, which were reliability, responsiveness, tangibles, assurance and empathy. However, this research only focused on three dimensions, which were reliability, responsiveness and tangibles. In this research this model was being used to measure the customer satisfaction towards the tax agent.



(Source: Field Study, 2019)

Figure 2.1 Theoretical Framework of The Service Quality Dimension on Customer Satisfaction towards tax agents.

## **2.5 Conclusion**

As a conclusion, this study is to investigate the customer satisfaction at the tax agents in Sungai Petani, Kedah. The literature review has provide a clear explanation on the previous study done by researchers. Based on the content in this study, the most suitable independent variables have been identified which are tangibility, reliability, responsiveness, assurance and empathy that will influence the dependent variable which is customer satisfaction at the tax agents in Sungai Petani, Kedah.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

In this chapter, the research methodology explained the scientific method that will be used in conducting this study. This chapter also outlines procedures that will be followed in gathering the data necessary for the analysis to meet the research objectives. This chapter will discuss on research design, sampling frame, unit of analysis, measurement, data collection procedures, and operational measures of variable used in the study as well as statistical tests that will be used to evaluated the hypothesis.

#### **3.1 Research Design**

Research design can be defined as the overall approached that being chosen by the researcher to conducting the research (Hazman Shah, n.d). Besides that, for the purpose of answering the research questions and research objectives, the researcher had chosen to use the descriptive study. According to Bryman (2013), there are three types of research design which consist experiment, survey and case study design. Descriptive study is one in which information is collected without changing the environment. It is used to obtain information concerning the current status of the phenomena with respect to the variables or conditions in a situation. It tells immediately about some key elements of the study and a one-shot survey of respondent. This design was chosen because the data collected at a single point of time from sample size can reduce the vulnerability of result and also could save the time as well as costs incurred.

#### **3.2 Population and Sample of the Study**

In this study, the population is categorized as subject that focus on a particular research project. Hence, the population in this study is the customers of the tax agents in Sungai Petani, Kedah and the study was conducted around the area.

Referred to Inland Revenue Board of Malaysia (IRBM) (2019) the latest data of population by districts of Sungai Petani, Kedah is 10 of tax agents that consists the total of 1565 customers. Table 1.0 shows the no. of tax agents in Sungai Petani, Kedah Darul Aman.

*Table 3.1*

*Distribution of population in no of tax agents in Sungai Petani, Kedah*

NO.	COMPANY NAME	NUMBER OF CUSTOMERS
1.	Saujana Tax & Account Services	136
2.	Premier Tax Services Sdn Bhd	195
3.	OTP & CO	223
4.	E & E Tax Services Sdn Bhd	268
5.	Champ Tax Management Sdn Bhd	177
6.	Roziatun & Associates	105
7.	S.P Corporate Centre Sdn Bhd	189
8.	Chengco Tax Secretarial Services Sdn Bhd	98
9.	Y.H. Chee & Co	54
10.	BJ Chan & Co	120
	TOTAL	1565

Source: Inland Revenue Board of Malaysia (IRBM), 2019

### **3.2.1 Sample Size**

Sample size refers to the number of units that were chosen from which data were gathered (Shipiro, n.d) . For this study, the sample was customers at the tax agents in Sungai Petani, Kedah. The sample size representative of the customers in this study is 306. It is determine based on the Krejcie and Morgan's sample size calculation which same as using the Krejcie and Morgan's sample size determination table. In present study, 400 questionnaires were distributed to the ten tax agents customers in Sungai Petani, Kedah.

Table 3.2 Table for Determining Sample Size of a Known Population

Table 3.1									
Table for Determining Sample Size of a Known Population									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384
Note: N is Population Size; S is Sample Size					Source: Krejcie & Morgan, 1970				

Source: Krejcie & Morgan, 1970

### 3.2.2 Sampling Technique

Sampling technique is one of the method that is use to select suitable number of elements from the population. Sekaran (2010), states that sampling is the process of selecting enough number of elements from the population to estimate the characteristic for the entire population. The sampling technique that had been used in the study was a non-probability convenience sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. A convenience sample is made up of people who are easy to reach. In this study the questionnaire are distributed to the customers of the tax agents that came to get the services from the organization during working hours. Respondents allocate time range between three to five minutes to complete the survey. The relative cost and time required to carry out a convenience sample are small in comparison to probability sampling techniques.

### 3.3 Questionnaire Design

This study is derived from the primary data and considered as quantitative study that was gathered using the self-administered questionnaires. According to Sekaran and Bougie (2013) self-administered questionnaire as one of the usual tools used in the survey. Furthermore, self-administered questionnaire also can reduce the time of collecting data during the survey that could help the researcher to get within specific time (Sekaran, 2003).

The questionnaire survey was distributed to the respondent who are customers of tax agents in Sungai Petani, Kedah. The questionnaire were divided into two sections A & B. The section A is about demographic information of the respondents. In this section, there are five (5) questions which covers respondent's gender, age, marital status, monthly income and race.

The section B is about the details of service quality that determine the customer satisfaction at the tax agents in Sungai Petani, Kedah. It consists of five (5) items measures customer satisfaction followed by thirty (30) items measures the service quality dimensions ( tangible, reliability, responsiveness, assurance and empathy).

Thus, in section B the respondents were instructed to rate the level of agreement with statements by using five-point Likert scales. The scales ranging between “strongly disagree”(1) to “strongly agree” (5). This five- point Likert scale questions are used to measure the level of agreement by respondents. According to Colman, Norris and Preston (1997), the five-point Likert scale is acceptable for many research because the scale is simply to answer and tick on the proper space provided. At the same time, researcher found the five-point Likert scale is suitable for the most research compared to seven or nine-point Likert scale, which considered lengthy. In total, the questionnaires consists of 35 items, including the demographic, service quality and customer satisfaction items.



### 3.4 Operationalization Of Variables

#### 3.4.1 Customer satisfaction

Customer satisfaction was operationalized by five items. The survey instrument was adapted from the study of Angelova, B., & Zekiri, J. (2011) and Lassar, W. M., Manolis, C., & Winsor, R. D. (2000). A five-point Likert scale was used to ask respondents for scoring (items) ranging from 1 = strongly disagree to 5 = strongly agree.

Items
1. I am aware with the service provided.
2. I am happy with the service provided.
3. I am satisfied with the staff behaviour.
4. I will recommend to my friend and colleague.
5. I will come back for next visit.

#### 3.4.2 Service Quality Measures

Initially, the service quality construct was measured separately using the SERVQUAL framework by (Parasuraman et al., 1994) on a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

Items
Tangibility
1. The location of the tax agent is strategic and easily accessible.
2. Easy to drive in and out with proper signage.
3. The car parking is sufficient to the customers.
4. The waiting chairs are enough to support the customers.
5. Well equipped with up to date facilities (eg: free wifi, vending machine)
6. Physical layout of equipment and furniture are comfortable for customer sitting and interacting.
7. Facilities provided are being upgraded from time to time.
8. Staff are well dressed and appear neat.

#### Reliability

1. The tax agent is providing services as promised in client charter.
2. The staff will call the customer accordingly to the queuing numbers.
3. The staff records the data of the customer accurately.
4. The staff are committed to providing services at specified times.
5. The staffs are sincere to solve and answer customer's problem.

### Responsiveness

1. Service provided by the tax agent is very efficient.
2. I get immediate service from the staff
3. I am satisfied with the time taken from early process until the end process.
4. The staff are responsive towards the customers needs.
5. The staff have a willingness to help the customer in settle their problem.
6. The tax agent has the sufficient number of staff.
7. The staff serve the customer with smile.

### Assurance

1. I am satisfied with the service provided by the tax agent.
2. I am confident with the service provided by the tax agent.
3. The staff have enough knowledge to serve the customers and answer the question asked.
4. The tax agents provide CCTV as security instrument.
5. I am confident with the security in the tax agent.
6. I am confident with the competency of the tax agent.

### Empathy

1. The service provider staff gives me individual attention.
2. The service provider staff knows what I actually want.
3. I have interest in the services provided by the service provider.
4. The service provider operates according to the business hours that are convenient to most of the customers

## 3.5 Data Collection Method

According to Parab (2013), data collection was a term used to describe a process of preparing and collecting data that come from basic inputs. In this study, the researchers used primary data to collecting the data through questionnaire by themselves. Primary data referred to the original data that has been collected for the first time (Parab, 2013). In this study, a set of structured self-administrated questionnaire were distributed to customer who came to the tax agents in Sungai Petani, Kedah. The researcher used method of direct questionnaire in collecting data where the questionnaire given directly to the respondents in cross sectional. English language was being used in the questionnaire. The sample size of respondent is 306

and there is 244 or 80 per cent response rate, where all respondent giving back the questionnaire after they are completed.

### **3.6 Validity of the study**

Validity is a procedure required in a research and it was conducted by expert to facilitate validation (Taherdoost, 2016). In this study, the content validity of the questionnaire approach was implied and conducted it by presenting to experts and professionals in related background to review the questionnaire including researcher's supervisor. The aim is to ensure that respondents fully understand the entire content of questionnaire and clarity on wordings. The results disclosed that all the items in this questionnaire are clear, transparent and straightforward. Thus, no amendments were made from the adapted items. The finalized questionnaire attached (Refer Appendix).

### **3.7 Reliability of the Instrument**

Reliability is the degree to measure how consistently in measuring the instrument in any concept used (Sekaran & Bougie, 2013). According to Sekaran (2003) explained measure reliability determines the degree to which measurement is performed over time and across the multiple items in the instrument without bias and coherent measurement. Moreover, the reliability is measuring the internal consistency within the variables. Internal consistency determines the each question should be pointed at measuring the same thing and to improve the level of reliability of the survey instruments.

Reliability analysis is done when questions from all variables are well structured and can be understands by respondents. It happened because the Cronbach's alpha for all variables higher than 0.7 which means that the respondents answered the questions without bias, with consistent and stable. The closer the alpha value is to, the higher the internal consistency reliability.

**Table 3.3 : Ranges of Cronbach's Alpha**

Cronbach's Alpha	Internal Consistency
< 0.5	Unacceptable
0.5 – 0.6	Poor
0.6 – 0.7	Questionable
0.7 – 0.8	Acceptable
0.8 – 0.9	Good
0.9 – 1.0	Excellent

*Source : Gandhi (2009 ), Cronbach's Alpha Rule of Thumb*

### **3.7.1 Pilot Test**

According to Pepper (2012 ), pilot study means a preliminary investigation intended to collect data to prepare for a larger, more definitive study. In the pilot study, the researcher distributing questionnaires to the 30 respondents. The questionnaire collected was analyzed by using the Cronbach's alpha value. Cronbach's alpha was the most commonly used measure of reliability of the questionnaires ( Allen, n.d ). Thus, with guidance of the table 3.3, researcher have been conducted the pilot study with the following result :

**Table 3.4 : Reliability Statistic**

Variables	Number of items	Value of Cronbach's Alpha
Tangible Dimension	8	.714
Reliability Dimension	5	.722
Responsiveness Dimension	7	.825
Assurance Dimension	6	.725
Empathy Dimension	4	.758

From the table, the researcher can conclude that the Cronbach's Alpha of all variable is more than 0.7. According to the Rule of Thumb Cronbach's Alpha Coefficient Size, the

Cronbach's Alpha for the analysis of Tangible Dimension and Reliability Dimension is in the range of acceptable. While the analysis statistic of Responsiveness Dimension is in the range of Good, Assurance Dimension and Empathy Dimension is in the range of acceptable. Therefore, overall of variables with items could be accepted for this study.

### **3.8 Technique of Data Analysis**

The data collected by the researcher would be then analysed by using SPSS 16.0. The process of analysing was from the raw data that was received by the researcher would then be transforming into which form that will provide information to be study. This method was choosen by the researcher as it was the most suitable software as the data collected by the the researcher was quantitative.

#### **3.8.1 Descriptive Satatistics**

Descriptive statistic will be used to summarize the data and being measure its mean, mode and median. The data was being measured can be presented in the form of table, charts, and graph. In addition, by using the descriptive analysis the researcher would be able to identify the data variance, standard deviation, mean, minimum and maximum.

#### **3.8.2 Inferential Statistics**

Inferential analysis is intended to indicate the significant values in contributing the relationship of variables. Inferential analysis was ran through SPSS.

#### **Pearson correlation analysis**

Pearson correlation analysis used by the researcher to explain the strength of the linear relationship between two variables in which it can be positive or negative relationship. The correlation coefficient ( $r$ ) were being used to compute the two variable which it was being donated by X and Y. By using this method the researcher able to analyse the relationship between the customer satisfaction and service quality dimension, which are tangibility, reliability, responsiveness, assurance and empathy dimension at tax agents in Sungai Petani, Kedah.

**Table 3.5: Scale of Relationship**

<b>Correlation Coefficient</b>	<b>Interpretation</b>
$r < 0.20$	Very Weak
$0.20 < r < 0.40$	Weak
$0.40 < r < 0.70$	Moderate
$0.70 < r < 0.90$	Strong
$r > 0.90$	Very Strong

*Source: Guilford (1956), Correlation Strength based on Guilford's Rule of Thumb*

### **Multiple Regression Analysis**

Multiple regression analysis was applied to examine the relative contribution of independent variables to predict the dependent variables and to test the hypothesis developed for the study. According to Coakes and Steed (2007), the result of regression reflects the best forecast of the dependent variable from some independent variables. Moreover, the multiple regression is used to test the hypothesis, whether the independent variables explain a significant variation in the dependent variable.

### **3.9 Conclusion**

In this chapter it basically discussed the research design, unit of analysis, sampling, measurement, data collection and data analysis that being used by the researcher to conducting the study. Aside from that, this chapter had shown the way that the researcher chose to examine the factor contributed to the customer satisfaction at tax agents in Sungai Petani, Kedah.

## **CHAPTER 4**

### **FINDINGS**

#### **4.0 Introduction**

This chapter presents the result of the data analysis in the statistical findings that led the discussion in the next chapter. This analysis begins from the collecting the demographic information of the respondent and the measurement of variables. The next part discusses about intercorrelation of the variables that were focused on reliability, correlation and multiple linear regression. At last, the analysis were indicating the hypothesis testing among the variables.

#### **4.1 Analysis of Findings**

In order to analyze the findings of this study, the researcher used two types of data analysis consists of Descriptive Statistics and Pearson's Correlation. The data collected by the researcher would be then analysed by using SPSS 16.0. The data was analysed using three types of data analysis consists of Descriptive Statistics, Pearson Correlation and Multiple Regressions.

#### **4.2 Descriptive statistics**

Descriptive statistics are used to describe the findings about the demographic of the respondents and also the dependent variable of this study which is the extent of customer satisfaction towards tax agents.

##### **( i ) Profile of Respondents**

The profile of respondents will indicate the demography factor of the respondents that will distinguish them from each others according to the respondent's background. The purpose of this study is to identify the most service quality dimension that can affect customer satisfaction at the tax agents in Sungai Petani, Kedah. The results of findings will simplify in table 3 below:-

Items	No. of Respondents	Percent (%)	Frequency
<b>Gender</b>			<b>244</b>
Male	154	63.0	
Female	90	37.0	
<b>Age</b>			<b>244</b>
Below 20	7	3.0	
20 - 29 years old	41	17.0	
30 - 39 years old	68	28.0	
40 years and above	128	52.0	
<b>Marital status</b>			<b>244</b>
Single	61	25.0	
Married	183	75.0	
<b>Monthly Income</b>			<b>244</b>
Below RM 1000	0	0.0	
RM 1000 – RM 5000	117	48.0	
RM 6000 – RM10,000	88	36.0	
More than RM10,000	39	16.0	
<b>Races</b>			<b>244</b>
Malay	12	5.0	
Chinese	139	57.0	
Indian	93	38.0	
Others	0	0.0	

*Table 4.1 : Descriptive Statistics of Respondents*



Table 4.1 above shows the percentage of the respondents and from the findings, it shows that 63.0% of the respondents were male and another 37.0% were female respondents. Hence, it indicates that the number of male respondents is larger than the female respondents in order to understand the service quality that affects customer satisfaction at the tax agents in Sungai Petani, Kedah.

Findings also found that customers of age more than 40 years and above monopolized the number of customer that came to the tax agents which is 52%, followed by those age 30 – 39 years old with 28%. Customer with ages 20 – 29 years old contribute with 17% and lastly another 3% are customer with ages below 20 years old. It shows the customers that age more than 40 years and above monopolized at the tax agents. From 244 respondents who response to researcher questionnaire, 25% were single while the rest 75% already married. Then, the findings also show monthly income of customers, where 48% of respondents have the monthly income between RM 1000 to RM 5000. Followed by 36% respondents have monthly income between RM 6000 to RM 10,000 and 16% customer having monthly income more than RM 10,000.

Besides that, the majority of the respondents are Chinese that is 57%. The respondents of Malay and Indian are only 5% and 38% respectively. From the findings clearly can be seen that most customer who come are Chinese customers.

### **4.3 Inferential Statistics**

#### **4.3.1 Pearson Correlation Analysis**

Pearson's correlation is used by the researcher in the study in order to describe the strength of relationship between two variables whether it is strong, moderate or weak. The researcher then determines strength of relationship between service quality dimensions that are Tangibility, Reliability, Responsiveness, Assurance and Empathy with the Customer Satisfaction at the tax agents in Sungai Petani, Kedah.

Table 4.2 : Correlations between Dependent Variable and Independent Variables

		customersatisfaction	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Customer satisfaction	Pearson Correlation	1	.606**	.767**	.789**	.650**	.689**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	244	244	244	244	244	244
Tangibility	Pearson Correlation	.606**	1	.542**	.599**	.745**	.713**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	244	244	244	244	244	244
Reliability	Pearson Correlation	.767**	.542**	1	.673**	.641**	.580**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	244	244	244	244	244	244
Responsiveness	Pearson Correlation	.789**	.699**	.673**	1	.582**	.674**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	244	244	244	244	244	244
Assurance	Pearson Correlation	.650**	.745**	.541**	.582**	1	.748**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	244	244	244	244	244	244
Empathy	Pearson Correlation	.689**	.713**	.580**	.674**	.748**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	244	244	244	244	244	244

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The result in table 4.2 shown above, it shows that there is a significant (p) between variables where the significant,  $p < 0.05$  which is  $p = 0.00$  level of significance. The correlation is  $r = .606$  between tangible dimension and customer satisfaction,  $r = .542$  between tangibles and reliability dimensions,  $r = .599$  between tangibles and responsiveness dimensions,  $r = .745$  between tangibles and assurance dimensions and  $r = .713$  between tangibles and empathy dimensions which means that there is positive relationship and the relationship is strong. From the result in the table above, it shows that the tangible dimension has a positive influence towards the customer satisfaction at the tax agents.

For the second independent variable which is reliability dimensions, it shows that there is a significant (p) between both variables where the significant,  $p < 0.05$  which is  $p = 0.00$  level of significance. The correlation is  $r = .767$  between reliability dimension and customer satisfaction,  $r = .542$  between tangibles and reliability dimensions,  $r = .673$  between reliability and responsiveness dimensions,  $r = .641$  between reliability and assurance dimensions and  $r = .580$  between reliability and empathy dimensions which means that there is positive relationship and the relationship is strong. From the result in the table above, the reliability dimension has a positive influence towards the customer satisfaction at the tax agent because there is a significant between variables.

For the third result in table 8 shown above, it shows that there is a significant between both variables where the significant,  $p < 0.05$  which is  $p = 0.00$  level of significance. The correlation of responsiveness dimension and the customer satisfaction is  $r = 0.789$  which means that there is a positive relationship and the relationship is strong. The correlation between responsiveness dimension and tangibility is  $r = .699$  and  $r = .673$  between reliability and responsiveness dimension,  $r = .582$  between responsiveness and assurance dimensions and  $r = .674$  between reliability and empathy dimensions which means that there is positive relationship and the relationship is strong. From the result in the table above, the responsiveness dimension has positive influences towards the customer satisfaction towards tax agents because there is a significant between variables.

For the fourth result in table 8 shown above, it shows that there is a significant between both variables where the significant,  $p < 0.05$  which is  $p = 0.00$  level of significance. The correlation of assurance dimension and the customer satisfaction is  $r = 0.650$  which means that there is a positive relationship and the relationship is strong. The correlation between assurance dimension and tangibility is  $r = .745$  and  $r = .641$  between reliability and assurance dimension,  $r = .582$  between responsiveness and assurance dimensions and  $r = .748$  between assurance and empathy dimensions which means that there is positive relationship and the relationship is strong. From the result in the table above, the responsiveness dimension has positive influences towards the customer satisfaction towards tax agents because there is a significant between variables.

For the fifth result in table 8 shown above, it shows that there is a significant between both variables where the significant,  $p < 0.05$  which is  $p = 0.00$  level of significance. The correlation of empathy dimension and the customer satisfaction is  $r = 0.689$  which means that there is a positive relationship and the relationship is strong. The correlation between empathy dimension and tangibility is  $r = .713$  and  $r = .580$  between reliability and empathy dimension,  $r = .674$  between responsiveness and empathy dimensions and  $r = .748$  between assurance and empathy dimensions which means that there is positive relationship and the relationship is strong. From the result in the table above, the responsiveness dimension has positive influences towards the customer satisfaction towards tax agents because there is a significant between variables.

#### 4.3.2 Multiple Regression Analysis

By using regression analysis, the researchers will able to determine the most significant factor (dimension) that affects customer satisfaction towards tax agent.

Table 4.3 : Result of Multiple Regression Analysis

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.741 <sup>a</sup>	.549	.539	1.30029
a. Predictors: (Constant), Responsiveness Dimension, Tangibility Dimension, Reliability Dimension, Assurance Dimension, Empathy Dimension				
b. Dependent Variable: Customer Satisfaction				

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.427	.703		13.402	.000
	Tangibility Dimension	.202	.038	.358	5.352	.000
	Reliability Dimension	.184	.038	.329	4.835	.000
	Responsiveness Dimension	.268	.049	.826	5.511	.000
	Assurance Dimension	.156	.047	.466	3.281	.000
	Empathy Dimension	.137	.079	.336	4.549	.000
a. Dependent Variable: Customer Satisfaction						

Based on the table 4.3 above, it has been seen that **R** value is 0.741. Therefore, **R value (.741)** for the overall service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy suggested that there is a strong effect of these five independent variables on customer satisfaction. It can also observed that the coefficient of determination the R-square (R<sup>2</sup>) value is 0.549, which representing that 55.0% variation of the dependent variable (Average Customer Satisfaction) is due to the independent variables (Service quality), which in fact, is a strong explanatory power of regression. The remaining 45.0% was perhaps caused by other service quality dimension that affects customer satisfaction at tax agents. Responsiveness dimension has noticeable as the most significant factors that affect customer satisfaction at tax agent at the level (beta =.826, t=5.511, p<0.001) which is p = 0.000, indicating responsiveness dimension is one of the main service quality dimensions that affect customer satisfaction at tax agent. It is followed by tangibility dimension (beta=.358, t=5.352, p<0.001), reliability dimension (beta =.329, t=4.835, p<0.001), assurance dimension (beta=.466, t=3.281, p<0.001) and empathy dimension (beta=.336, t=4.549, p<0.001). The result is consistent with the outcome of Pearson correlation analysis. The Pearson correlation analysis shows that responsiveness dimension has the strongest relationship with customer satisfaction at tax agent.

It is identified that the value of F-stat is 27.112 and is significant as the level of significance is less than 5% (p<0.05). This indicates that the overall model was reasonable fit and there was a statistically significant association between service quality dimension and customer satisfaction. Additionally, this also indicated that the **null hypothesis is rejected and**

**alternative hypothesis is accepted.** Hence it can be concluded that service quality dimensions have significant impact on customer satisfaction towards tax agents.

In conclusion, the analysis of findings had shown that the objectives of this study managed to be answered. From the findings the researchers have found out that there is existence of relationship between customer satisfactions among tax agents with the variables. All independent variables shows that there is a significant and correlation between variables. Therefore, it could be concluded that there were relationship between independent variables and dependent variable. Lastly the most influences that contribute to customer satisfaction among tax agents also have been analysed and from the result shows that responsiveness dimension is the most influences.

#### 4.4 Hypothesis Testing

*Table 4.4*  
*Summary of Hypothesis Results using Standard Multiple Linear Regression Analysis*

Hypothesis	Description	Results
<b>H1:</b> There is a significant relationship between tangibility and customer satisfaction towards tax agents.		Supported
<b>H2:</b> There is a significant relationship between reliability and customers satisfaction towards tax agents.		Supported
<b>H3:</b> There is a significant relationship between responsiveness and customer satisfaction towards tax agents.		Supported
<b>H4:</b> There is a significant relationship between assurance and customer satisfaction towards tax agents.		Supported
<b>H5:</b> There is a significant relationship between empathy and customer satisfaction towards tax agents.		Supported

#### 4.5 Conclusion

Based on the above results, five research objectives have been accomplished via hypothesis testing. There is a strong indication that all the independent variables were highly connected to the dependent variable. In the other words, entirely, the independent variables have a significant relationship to customer satisfaction in this context of study. The output of the statistical analyses (SPSS output) were attached (Appendix).

## **CHAPTER 5**

### **DISCUSSION AND CONCLUSION**

#### **5.0 Introduction**

This chapter is the final part of this study where it explains more about the findings and the results of the hypothesis that have been discussed in chapter four. Furthermore, this chapter discussed about the comparison and evaluations of the findings. The researchers provide some recommendations in order to assist tax agents to plan for further improvement in order to increase the service quality that lead to the customer satisfaction.

#### **5.1 Discussion of Findings**

Evaluation of findings were based on the research objectives and hypothesis. In the previous chapter, the result of the findings has been obtaining from 244 respondents from customer that come to get a service at the tax agents in Sungai Petani, Kedah. All the research questions have been analyse using Descriptive Statistics, Pearson's Correlation and Multiple Regression methods. In the previous chapter, the hypothesis from this study was tested in order to define whether it is accepted or rejected. The hypothesis that stated in this study is about the relationship between dependent variable that refers to customer satisfaction and independent variables that are tangibility dimension, reliability dimension, responsiveness dimension, assurance dimension and empathy dimension. Based on the finding there were positive correlation between the independent variables, which are tangibility dimension, reliability dimension, responsiveness dimension, assurance dimension and empathy dimension. Thus, it shows that entire hypothesis in this study was accepted.

##### **5.1.1 Relationship between tangibility dimension and customer satisfaction**

Based on the findings, it indicates that tangibility dimension have a positive relationship with customer satisfaction. From the findings, it can be seen on the significant value of p which defines there is a relationship between tangibility dimension with the customers satisfaction. Besides, the Pearson correlation value also view their relationship is strong. It shows that tangibility dimension has positive relationship with a strong relationship with customer satisfaction.

This finding is reflected with word by Jager & Plooy (2007) indicates that physical evidence refers to the environment in which the service is delivered and where the firm and the customer interact and any tangible commodities that facilitate performance or communication of the service. This demonstrates that the physical evidence service production process can influence the service experience. It shows that the tax agent is providing tangible cues that facilitate their performance of service that leads to customer satisfaction.

### **5.1.2 Relationship between reliability dimension and customer satisfaction**

For the second independent variable which is reliability dimension, it has significant relationship that can contribute to customer satisfaction at the tax agents. The value significant of reliability dimensions shows there is a relationship between reliability dimension with the customer satisfaction, where the value is below the desired level . From the finding, it shows that there were a strong relationship between the reliability dimension and customer satisfaction, where Pearson Correlation value view the relationship is strong.

This study was contradicting with the study done by Munusamy, Chelliah & Hor (2010) in their study “Service Quality Delivery and its Impact on Customer Satisfaction in the Banking Sector in Malaysia”, where they found that reliability dimension has negative relationship and it has no significant effect on customer satisfaction.

In the previous study from Suleiman, (2011) also found that there was no significant between level of customer satisfaction and reliability dimension of SERVQUAL model towards Housing Bank in Kara, Jordan. The researcher in this study used method of questionnaires and used technique of simple random sampling to calculate the data.

### **5.1.3 Relationship between responsiveness dimension and customer satisfaction**

For the third dimensions that contribute to the customer satisfaction that is the responsiveness dimension. In the findings it shows that there is a strong relationship between the responsiveness dimension and customer satisfaction. This positive relationship can be seen on the significant value of p that indicates there is significant relationship between the



responsiveness dimension and customer satisfaction, where the value is below the desired level. The Pearson Correlation value shows their relationship between responsiveness dimension and customer satisfaction is strong.

In the previous study, it had found that responsiveness of the E-banking service towards service quality management shows that there is a significant relationship where the relationship was positive and moderate (Tan et al., 2012).

#### **5.1.4 Relationship between assurance dimension and customer satisfaction**

For the fourth dimensions that contribute to the customer satisfaction that is the assurance dimension. In the findings it shows that there is a strong relationship between the assurance dimension and customer satisfaction. This positive relationship can be seen on the significant value of p that indicates there is significant relationship between the assurance dimension and customer satisfaction, where the value is below the desired level. The Pearson Correlation value shows their relationship between assurance dimension and customer satisfaction is strong.

In the previous study by Arokiasamy & Abdullah (2001) through article “Service Quality And Customer Satisfaction In The Cellular Telecommunication Service Provider In Malaysia”. The study shown that there was a significant positive relationship between assurance and customer satisfaction.

#### **5.1.5 Relationship between empathy dimension and customer satisfaction**

Lastly, for the fifth dimensions that contribute to the customer satisfaction that is the empathy dimension. In the findings it shows that there is a strong relationship between the empathy dimension and customer satisfaction. This positive relationship can be seen on the significant value of p that indicates there is significant relationship between the responsiveness dimension and customer satisfaction, where the value is below the desired level. The Pearson Correlation value shows their relationship between empathy dimension and customer satisfaction is strong.

In the previous study by Munusamy, et al., (2010) in their study “service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia” stated that the result of their research found that there is no significant positive relationship between the empathy and customer satisfaction. This is has been supported by the study of Bharwana, et al., (2013) “Impact of Service Quality on Customers’ Satisfaction: A Study from Service Sector especially Private Colleges of Faisalabad, Punjab, Pakistan.” They found that empathy depicts a negative link with the customers’ satisfaction.

#### **5.1.6 To Identify the Most Influence Dimensions of Service Quality That Affects Customer Satisfaction towards tax agents.**

The next research objective is aims to identify which dimensions of service quality most influence that will affect customer satisfaction. The study found that the most influence dimension that affects customer satisfaction is responsiveness dimension. This result indicating responsiveness dimension is one of the main service quality dimension that affect customer satisfaction towards tax agent. It is followed by tangibles dimension, reliability dimension, assurance dimension and empathy dimension. The result is consistent with the outcome of Pearson correlation analysis. The Pearson correlation analysis shows that responsiveness dimension has the strongest relationship with customer satisfaction towards tax agents.

According to Markovic & Radnor (2010) in their study “Measuring Perceived Service Quality Using SERVQUAL: A case study of the Croatian Hotel Industry”, the researcher has collected the data from fifteen hotels in the Opatija Riviera by using self-administered questionnaires. The data found that the reliability, empathy and competence of staff, accessibility and tangible are the key factors that expect by the customer. The result shows the range of mean from 4.77 to 6.34. The lowest perception item was tangible factor, while the highest perception item was responsiveness followed by assurance and reliability factor. The finding of Markovic & Radnor (2010) found that the highest perception item was responsiveness followed by assurance and reliability factor. They should provide service within the agreed upon time and show a willingness to solve customers problems. Zaim et al. (2010) studied the important criteria for measuring service quality in Turkey. They confirmed

that responsiveness is significant for customer satisfaction. Thus, it shows that responsiveness dimension can affect customer satisfaction at the tax agent.

## **5.2 Contribution of the Study**

The findings of this study have expressive managerial contributions to tax agents service management and theoretical contribution to the potential researchers.

### **5.2.1 Practical Implication**

The findings of this study might help the tax agent to improvise their service in the future where the practitioners responsible as an authority to comprehend the prominence of customer satisfaction. In the context of the study, the involvement of practitioners seems as important of developing better service quality and allocate the reasonable pricing that might fair to the customers towards their services and products.

The study reveals that service quality (tangibles, reliability, responsiveness, assurance and empathy) had a positive impact on customer satisfaction level. To specific responsiveness is the most influence on customer satisfaction compared to others.

### **5.2.2 Theoretical Implication**

The contribution of this research from the theoretical perspective lies in determining the relationship of service quality (tangibles, reliability, responsiveness, assurance and empathy) on customer satisfaction. The result shows the associations of the five indicators of service quality to customer satisfaction.

This theory implies the study by explaining the process on how the customer compared the experience of receiving actual service performance with the expected service (Beardon & Teel, 1993; & Oliver 1980). Thus, by providing good service quality for the customer within their expectation it could help increase the satisfaction as well as it merges with the theory that to evaluate the disconfirmation of service whereas, vice versa.

### **5.3 Limitation**

In this study, there are several limitation that had been faced by the researcher while completing this research. Among the limitations are:

#### **5.3.1 Small Size of Respondents**

Since the tax agents has the average of customer per month, the researcher decided to use the 306 respondents as the sample in this study. This is become limitation to researchers in order to generalized the results from this study because only small size of respondents are being used. The data collected in this research is from the small size of respondent that use service at the tax agents. The finding in this study might more reliable if the large size of respondent is being taken and the researcher will have accurate data and finding about the customer satisfaction towards service quality at the tax agents in Sungai Petani, Kedah.

#### **5.3.2 Method used by the researcher**

The limitation of the study that faced by the researcher while conducting this study was the method used by the researcher. The method that used by the researcher are tested on descriptive analysis and Pearson correlation only. Thus, this shows the result on this study had limitation as it does not cover other methods such as ANNOVA, T-Test and others.

### **5.4 Recommendations**

There is recommendation from the researchers regarding the findings from the study. This recommendation will assist tax agents to have further improvement in their service quality that lead to the customer satisfaction.

#### **5.4.1 Offering More Tangibles Cues**

The finding shows the tangibility dimensions have a relationship with the customer satisfaction at the tax agents. Tangible cues provided by organization which are including appearance of the building, uniform, modern equipment and other visible cues available at

the organization is become moment of truth to the customer once they step into the organization (Lovelock & Wirtz, 2012). The facilities provided by the tax agent are one of the factors that lead to customer satisfaction as it is also considered as one of the services by the tax agent. It was recommended to provide more tangible cues such as modern design of waiting chair, enough waiting chairs, clear and informative signage and increase the cleanliness of the tax agent.

#### **5.4.2 Matching Customer Expectations for Fast and Flexible Service**

Based on the findings, responsiveness dimensions is one of the factors that have relationship with customer satisfaction among tax agents. It is believe that the willingness of the staff to help the customers and provide prompt service to them could lead to customer satisfaction as the waiting time experience by the customer in getting the service from the tax agents is the most crucial part faced by the customers. They are expecting to have immediate services. Thus, it is recommended to the tax agents to match the customers' expectations for fast and flexible service.

#### **5.4.3 Show Willingness to Solve Customers Problem**

From the findings, reliability dimensions have a relationship with customer satisfaction among tax agents. It is believe that the ability to perform the promised service dependably and accurately could lead to customer satisfaction as the customers are expecting the sincerity from the staff in providing the services to them. Thus, it is recommended to the staff to show willingness in solving customer's problem. The behavior of the staff towards the customers is important as it reflect their sincerity to provide service to their customers.

#### **5.4.4 Provide Sufficient Knowledge to the Staff and Be Polite and Friendly With the Customers**

Based on the findings, responsiveness dimensions is one of the factors that have relationship with customer satisfaction among tax agents. It is believed that knowledge and courtesy of employees and their ability to inspire trust and confident to the customers could lead to satisfaction. Thus, it is recommended the tax agents to provide sufficient knowledge about

the service provided by them to the staff. The staff should have enough knowledge in delivering the service to their customers. The staff should enhance their knowledge by attending various programmed that pertaining to the service. It is indirectly can help them to enhance their skill and knowledge and able to provide better service to their customers.

The researchers are recommended to the staff to be polite and friendly with the customer. The customers are also important person that will reflect the satisfaction towards service quality provided by the tax agents. The friendly staff makes the customers feel welcomed are comfortable with the service provided to them. Courteous and friendly support staff making customers and their guests feels safe and relaxed in the transaction process (Jager & Plooy, 2007). The guests can be third party that will delivered information about the service quality of the tax agents to other person. The positive power of word-of-mouth from the customers will give huge impact on the loyalty to the other customers to get the service from the tax agents.

### **5.5 The Future Research**

The researcher recommended that perhaps in the future, the researchers will do this research which is more focusing on the wider scope to study the service quality that lead to customer satisfaction at the others taxation agency instead of focusing on the tax agents in Sungai Petani, Kedah only. By having wider scope of study, it can be generalized the customer satisfaction toward service quality to be more reliable due to the large amount of respondents that involve in this study.

### **5.6 Conclusion**

This research aimed to explore the influence of service quality (tangibles, reliability, responsiveness, assurance and empathy) to customer satisfaction. The study covers the customers at the tax agents in Sungai Petani, Kedah and the outcome founded that the entire variables have a significant relationship on customer satisfaction. Along this, the study also can be used as a tool for management to improve on their policy, tactics and strategy upgrade their level of service quality to enhance customer satisfaction in the tax agents. Therefore,

this study answered the research question and obtain the research objective as well as the hypothesis were explained.



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# APPENDICES





## **SERVICE QUALITY QUESTIONNAIRE**

I am a student of Master of Science (Management) from University Utara Malaysia conducting a study on Customer Satisfaction towards tax agents. The feedback obtained would be beneficial in helping me to complete BPMZ 6019 research. All information provided will be kept confidential and will be analyzed and used for the benefit of my research only. Thank you for taking time to answer the questionnaire.

Researcher

**Nor Adwiyah Binti Awang**

**823161**



## Part A: Personal Background Information

Please tick (/) for your answer to the particular question.

### 1. Gender

☐

Male

☐

Female

### 2. Age

☐

Below 20

☐

20 to 29

☐

30 to 39

☐

Above 40

### 3. Marital status

☐

Single

☐

Married

### 4. Monthly Income

☐

Below RM1000

☐

RM1000- RM5000

☐

RM6000- RM10 000

☐

More than RM10 000

### 5. Race / Keturunan

☐

Malay / Melayu

☐

Indian / India

☐

Chinese / Cina

☐

Other : \_\_\_\_\_ / Lain-lain : \_\_\_\_\_

## **SECTION B**

### **PART II : CUSTOMER SATISFACTION**

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

1 - Strongly Disagree

2 - Disagree

3 - Neutral

4 - Agree

5 – Strongly Agree

1) I am aware with the service provided by the tax agent.	1	2	3	4	5
2) I trust with the service given by the tax agent.	1	2	3	4	5
3) I am satisfied with the staff behaviour during service delivery.	1	2	3	4	5
4) I will come back to get the service for the next visit.	1	2	3	4	5
5) I will recommend this tax agent to my friend and colleague.	1	2	3	4	5



### PART III: TANGIBILITY DIMENSION

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

- 1 - Strongly Disagree
- 2 – Disagree
- 3 - Neutral
- 4 – Agree / Setuju
- 5 – Strongly Agree / Sangat Setuju

1.	The location of the tax agent is strategic and easily accessible.	1	2	3	4	5
2.	Easy to drive in and out with proper signage.	1	2	3	4	5
3.	The car parking is sufficient to the customers.	1	2	3	4	5
4.	The waiting chairs are enough to support the customers.	1	2	3	4	5
5.	Well equipped with up to date facilities (eg: free wifi, vending machine)	1	2	3	4	5
6.	Physical layout of equipment and furniture are comfortable for customer sitting and interacting .	1	2	3	4	5
7.	Facilities provided are being upgraded from time to time.	1	2	3	4	5
8.	Staff are well dressed and appear neat.	1	2	3	4	5

#### PART IV: RELIABILITY DIMENSION

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

1 - Strongly Disagree

2 – Disagree

3 - Neutral

4 – Agree

5 – Strongly Agree

1.	The tax agent is providing services as promised in client charter.	1	2	3	4	5
2.	The staff will call the customer accordingly to the queuing numbers.	1	2	3	4	5
3.	The staff records the data of the customer accurately.	1	2	3	4	5
4.	The staff are committed to providing services at specified times.	1	2	3	4	5
5.	The staffs are sincere to solve and answer customer's problem.	1	2	3	4	5

## PART V: RESPONSIVENESS DIMENSION

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

- 1 - Strongly Disagree
- 2 – Disagree
- 3 - Neutral
- 4 – Agree
- 5 – Strongly Agree

1.	Service provided by the tax agent is very efficient.	1	2	3	4	5
2.	I get immediate service from the staff	1	2	3	4	5
3.	I am satisfied with the time taken from early process until the end process.	1	2	3	4	5
4.	The staff are responsive towards the customers needs.	1	2	3	4	5
5.	The staff have a willingness to help the customer in settle their problem.	1	2	3	4	5
6.	The tax agent has the sufficient number of staff.	1	2	3	4	5
7.	The staff serve the customer with smile.	1	2	3	4	5

## PART VI : ASSURANCE DIMENSION

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

- 1 - Strongly Disagree
- 2 – Disagree
- 3 - Neutral
- 4 – Agree
- 5 – Strongly Agree

1.	I am satisfied with the service provided by the tax agent.	1	2	3	4	5
2.	I am confident with the service provided by the tax agent.	1	2	3	4	5
3.	The staff have enough knowledge to serve the customers and answer the question asked.	1	2	3	4	5
4.	The tax agents provide CCTV as security instrument.	1	2	3	4	5
5.	I am confident with the security in the tax agent.	1	2	3	4	5
6.	I am confident with the competency of the tax agent.	1	2	3	4	5

## PART VII : EMPATHY DIMENSION

Please state your opinion by circling (O) only ONE box for each of the following statement.  
Use the choices given as a guide.

- 1 - Strongly Disagree
- 2 – Disagree
- 3 - Neutral
- 4 – Agree
- 5 – Strongly Agree

1.	The service provider staff gives me individual attention.	1	2	3	4	5
2.	The service provider staff knows what I actually want.	1	2	3	4	5
3.	I have interest in the services provided by the service provider.	1	2	3	4	5
4.	The service provider operates according to the business hours that are convenient to most of the customers	1	2	3	4	5

### END OF THE QUESTION

Thank you for your time and cooperation answering these questions.